

## Message Text

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ORIGIN EA-09

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FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
AMEMBASSY MOSCOW  
INFO CINCPAC  
COGARD  
GOV GUAM  
TREASURY

UNCLAS STATE 002859

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 6 EA PRESS SUMMARY

### 1. CHINA

REUTER'S GRIFFITHS (PEKING) REPORTS OFFICIAL CHINESE  
NEWSPAPERS PUBLISHED LENGTHY TRIBUTES TO CHOU WEDNESDAY,  
IN PREPARATION FOR FIRST ANNIVERSARY HIS DEATH SATUR-  
DAY. PEOPLE'S DAILY CHARGED PROGAGANDIST YAO WEN-YUAN  
TRIED SABOTAGE OFFICIAL PRESS COVERAGE OF CHOU'S FUNERAL;  
ANOTHER ARTICLE CLAIMED RADICALS ATTEMPTED DISRUPT FILMING  
OF TRIBUTE TO CHOU; NCNA ACCUSED "GANG OF FOUR" OF SUPPRES-  
SING NEWS ABOUT NATIONWIDE MOURNING FOR CHOU.  
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PEOPLE'S DAILY BEGAN NEW YEAR BY PRINTING ITS NAME IN  
ROMAN LETTERS AND CHINESE CHARACTERS AT TOP OF PAGE 1 (AP,  
CHITRIB).

PROVINCIAL RADIO STATION CLAIMS KWEICHOW WORKERS HAVE  
ACCUSED "GANG OF FOUR" OF GREATLY HARMING STATE/PEOPLE,  
TRYING PROVOKE WORK STOPPAGES (REUTER HK).

GRIFFITHS QUOTES AUTHORITATIVE PEKING SOURCES THAT ABOUT  
700,000 WERE KILLED IN TANGSHAN JULY EARTHQUAKE.

OFFICIAL CHINESE SPOKESMAN SAID WEDNESDAY THAT FOREIGN PRESS SPECULATION ABOUT PRESENT UNREST IN PRC PROVINCES IS TOTALLY GROUNDLESS. QUOTING FROM HUA SPEECH, SPOKESMAN DESCRIBED PRESENT SITUATION AS "VERY STABLE" (REUTER PEKING). INDICATED THERE HAD BEEN UNREST, BUT WAS QUELLED IN WAKE OF RADICALS' ARREST (TORONTO GLOBE AND MAIL, NYT).

CHITRIB HAS AP WIREPHOTO OF 2 YOUNG WOMEN WEARING CAMOUFLAGE MATERIAL ON HEADS, CONCENTRATING ON PLA TRAINING SESSION NEAR CANTON; ONE HOLDS ROCKET-PROPELLED ANTI-TANK GRENADE.

RADIO PEKING REPORTED TUES THAT PRC INCREASED CRUDE OIL PRODUCTION BY 13 PCT IN 1976, NATURAL GAS PRODUCTION INCREASED BY 11 PCT OVER 1975--STATE PRODUCTION QUOTAS FULFILLED IN BOTH FIELDS (REUTER HK).

NYT'S MAIDENBERG REPORTS THAT PERSISTENT RUMORS BOTH PEKING/MOSCOW SELLING GOLD TO EUROPEAN DEALERS IN LARGER-THAN-USUAL QUANTITIES MELTED PRICES OF GOLD FUTURE IN ALL MARKETS TUES, AND TENDED DRAG DOWN SILVER VALUES.

REUTER (NY 1/5) REPORTS WORLD SUGAR MARKET SOURCES SAID TUES THAT PRC HAS PRUCHASED LARGE QUANTITIES SUGAR--ABOUT UNCLASSIFIED

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200,000 TONS--ON OPEN MARKETS SINCE EARLY DEC, AND IS BELIEVED AIMING BUY STILL MORE.

## 2. CHINA/JAPAN

REPLYING TO HUA'S CONGRATULATORY MESSAGE ON ASSUMING OFFICE, FUKUDA EXPRESSES HOPE FOR CONTINUED DEVELOPMENT NEIGHBORLY/FRIENDLY JAPAN-PRC RELS. SIMILAR MESSAGE SENT BY JAPANESE FONMIN HATOYAMA TO CHINESE COUNTERPART HUANG HUA (REUTER TOKYO).

## 3. JAPAN

CULLISON (JOC) REPORTS CARTER-FUKUDA MTG LIKELY IN NEAR FUTURE. AMB TOGO BEING RECALLED FOR CONSULTATIONS CONCERNING PROPOSED MTG. TOGO FORMALLY APPROACHED SECSTATE-DESIGNATE VANCE ON PROPOSAL MONDAY. VANCE REPORTEDLY AGREED "IN PRINCIPLE" TO CONF, THO NO FORMAL ACCEPTANCE RECEIVED YET IN TOKYO.

HIGH-LEVEL JAPANESE ECON MISSION WILL VISIT UAE/SAUDI ARABIA/IRAQ FOR 2 WKS STARTING 2/4 TO CONFER W/LOCAL GOVT/BUSINESS LEADERS, PROMOTE FRIENDSHIP/COOPERATION (REUTER TOKYO).

EEC COUNTRIES INSIST SHIPBUILDING TALKS BEGIN ON SCHEDULE IN PARIS NEXT WK, DESPITE JAPANESE REQUEST FOR POSTPONE-MENT. JAPAN WILL PROPOSE CALLING ANOTHER CONF IN FEB, SAYS SENIOR OFFICIALS UNABLE ATTEND MTG NEXT WK BECAUSE THEY ARE BUSY W/BUDGET PREPARATIONS (EDWARDS, REUTER PARIS).

NEW GOVT PUTTING FORTH MAJOR EFFORT COMPLETE '77 BUDGET, AIMED AT STIMULATING ECONOMY, BY 1/20 (KERR, REUTER TOKYO). CENTRAL FEATURE IN REFLATIONARY BUDGET IS 1.2-BIL-DOL INCREASED SPENDING ON PUBLIC WORKS/OTHER PROJECTS OVER NEXT 3 MONTHS. DIET EXPECTED APPROVE LATEST MEASURES UNCLASSIFIED

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W/O TOO MUCH OPPOSITION, THO NOTHING ABSOLUTELY CERTAIN SINCE LDP LOST WORKABLE MAJORITY (JOC).

EXTREME LEFTIST TOSHIO OHMURA, REGARDED BY POLICE AS RED ARMY GUERRILLA SYMPATHIZER, CHARGED 1/5 W/BOMBING KYOTO POLICE HQTRS 7 YRS AGO/OBTAINING FORGED PASSPORT IN 1974 (WP).

ASAHI'S HARA (SUN TOKYO) REPORTS JAPANESE RAILWAYS ON BRINK OF BANKRUPTCY; HAVE LOST NEARLY 3 BIL DOLS 1976, W/DEFICIT FOR PAST DECADE OVER 10 BIL DOLS. ARTIFICIALLY LOW RATE STRUCTURE/HIGH LABOR COSTS/POOR MANAGEMENT KEY FACTORS IN RAILWAYS' DIFFICULTIES.

JAPANESE MOTORCYCLE MFRS, WHO CONTROL ABOUT 90 PCT US MARKET, REACT CALMLY TO US DECISION CONTROL CYCLE EMISSIONS STARTING NEXT YR. MFRS SAY HAVE BEEN PREPARING FOR ACTION SINCE EPA 1ST ANNOUNCED PLANS (REUTER, TOKYO).

WSJ FINDS JAPANESE AUTO IMPORTS CONTINUED POST SALES GAINS 12/75, WHILE SEVERAL EUR FIRMS SAW US SALES DECLINE. TOYOTA TOP-SELLING IMPORT, FOLLOWED BY DATSUN.

US COMMERCE DEPT REPORTS OCT'S FON INDUSTRIAL PRODUCTION SHOWED LITTLE EXPANSION OVER SEPT OUTPUT LEVELS. COUNTRIES INCLUDED ON INDEX ARE CANADA/France/FRG/ITALY/UK/JAPAN (WP).

SEIDEN (SUN TOKYO) REPORTS JAPANESE ECONOMY OFF TO SLUGGISH START IN '77. ECON PLANNING AGENCY OFFICIAL PRE-DICTS, "AT BEST," 1ST HALF '77 MAY BE "LITTLE LESS GLOOMY" THAN LAST YEAR. SLUGGISH CONSUMER SPENDING/UNEXPECTEDLY CURTAILED GOVT SPENDING DUE PREOCCUPATION W/LOCKHEED APPARENTLY AT ROOT COUNTRY'S PROBLEM.

CSM/SUN CARRY AP PIX TOKYO RESIDENTS PARTICIPATING IN UNCLASSIFIED

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NEW YEAR CALLIGRAPHY CEREMONY, "KAKIZOME"--LITERALLY  
1ST WRITING OF YEAR.

4. KOREA

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REUTER (SEOUL 1/5) REPORTS ROKG MIN C/I ANNOUNCEMENT  
BOTH EXPORTS/IMPORTS ROSE 1976--EXPORTS REACHED 8.12 BIL  
DOLS/IMPORTS PROVISIONALLY ESTIMATED AT 8.77 BIL DOLS.  
GNP GROWTH ESTIMATED AT 15.2 PCT, W/FIGURE ALLOWING FOR  
INFLATION.

SEN PROXMIRE RELEASES 12/28 US ARMY LTR TELLING CONGRESS  
PROCUREMENT CONTRACTS ROK HAVE BEEN SUBJECT "COLLUSIVE  
BIDDING AND PRICE FIXING." ARMY PLANS REVISION CONTRACT  
PROCEDURES SK TO PREVENT RIGGED BIDDING WHICH FORCED UP  
PRICES. PROXMIRE SAYS NEW PROCEDURES SHOULD SAVE  
MONEY--ADDS, "IF THE KOREANS WANT OUR TROOPS IN KOREA,  
OR OUR WEAPONRY, THEN THEY SHOULD ASSURE US THAT OUR CON-  
TRACTS WILL BE HONORED AT THE LOWEST COMPETITIVE PRICE,  
WITHOUT COLLUSION OR BRIBERY" (REUTER WASH).

5. INDOCHINA

VN ESTABLISHED NEW MIL COLLEGE TO TRAIN OFFICERS IN  
"DIALECTICAL METHOD" (UPI, NYT).

LAOS/BENIN DECIDE ESTABLISH DIPL RELS AT AMB LEVEL (REU-  
TER, WP).

6. THAILAND

POLICE CAUGHT WOMAN AT AIRPORT TUES W/38 LBS HEROIN;  
WAS BOARDING HK FLIGHT (UPI WP, NYDN).

7. MALAYSIA

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CENTRAL NARC BUREAU SAYS TOURISTS FROM US/W COUNTRIES  
BEING USED CARRY HEROIN/OTHER DRUGS BETW ASIAN CAPITALS/  
TO W (AP, WP).

8. INDONESIA

FORMIN MALIK DENIES ALLEGATIONS MADE LAST WK BY DOS THAT  
GOI VIOLATES HUMAN RTS (CSM).

9. SINGAPORE

EXTRADITION HEARINGS OPEN AT LONDON BY SINGAPORE GOVT  
AGAINST FORMER CHMN SLATER WALKER SECURITIES/FORMER

CHMN HAW PAR BROS INTL (WSJ).

10. PHILIPPINES

GOP AGREES TO FORMATION PROVISIONAL GOVT IN PROPOSED AUTONOMOUS MOSLEM REGION IN S AS PART PEACE SETTLEMENT W/SECESSIONIST REBELS (UPI MANILA).

11. AUSTRALIA

AUSSIE PUBLISHER RUPERT MURDOCH USED "NY POST" ASSETS TO PAY FOR MAJOR PART CONTROLLING INTEREST IN "NY MAGAZINE" (VARTAN, NYT). JUSTICE DEPT TAKING "LOOK" AT MAGAZINE TAKEOVER TO SEE IF VIOLATES ANTIMERGER STATUTE/SUBSTANTIALLY LESSENS COMPETITION IN AREA (CARMODY, NYT).

12. GENERAL

USDA SAYS THO ASIA'S '76 RICE CROP WILL NOT EQUAL '75 ALL-TIME HIGH, PROBABLY WILL BE 2ND BEST ON RECORD. THAI CROP EXPECTED EXCEED 15 MIL TONS; BURMA MAY REACH 9.9 MIL TONS; PAKISTAN ABOUT 3.7 MIL TONS; INDONESIA SOME UNCLASSIFIED

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22.6 MIL TONS; SRI LANKA APPROX 1 MIL TONS; BANGLADESH A HEALTHY 19.2 MIL TONS; AND ROK AN ALL-TIME HIGH 7.2 MIL TONS (CNS, JOC).

COMMENT AND ANALYSIS

13. KOREA

IN LTR EDIT WP, EX-ACT DEPDIR FEAF OSI LEO CARL RESURRECTS OLD QUESTION WHETHER US FOREWARNED 1950 NK INVASION SK. CARL CLAIMS FEAF OSI "INUNDATED" W/INTELL RE IMMINENCE NK ATTACK, ASSERTS ALL SUCH INFO REPORTED TO BOTH GEN MACARTHUR'S STAFF AND WASH.

GLOBE STATES DESIRE/ABILITY NEW CONGRESS NEW LEADERS TACKLE PROBLEMS WILL BE REFLECTED IN CHOICE NEW CMTE CHAIRMEN, ZEAL "WITH WHICH HOUSE INVESTIGATES KOREAN SCANDAL," AND WAY SENATE RESTRUCTURES ETHICS CMTE--AS WELL AS WHAT LEADERS SAY/DO

14. CHINA

CITING REPORTS ON RECENT CIVIL WAR/MURDER/RAPE/PILLAGE COMING OUT OF PRC, WP'S MATHEWS (HK) CONCLUDES CHINESE HAVE BEEN, TO SOME EXTENT STILL ARE, IN TROUBLE, AND IN THEIR OWN WAY ARE SAYING SO. RECALLS IN PAST ONLY EXTRAORDINARY CIRCUMSTANCES HAD FORCED CHINESE USE MORE SPECIFIC/SENSATIONAL LANGUAGE, SO WHEN OFFICIAL BROADCASTS

BEGAN SPEAKING OF RECENT WUHAN "CHAOS," PAOTING "SERIOUS

INCIDENTS" AND SZECHWAN "ALL-AROUND CIVIL WAR," BECAME CLEAR HOW BAD SITUATION HAD BEEN. MOST STRIKING WAS OFFICIAL ADMISSION SOME PEOPLE KILLED IN FACTIONAL STRIFE-- SOMETHING CHINESE HAD RARELY DISCLOSED BEFORE.

REUTER'S GRIFFITHS (PEKING) NOTES HUNDREDS WEDNESDAY UNCLASSIFIED

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CROWDED AROUND MID-CITY WALL POSTER DESCRIBING TENG HSIAO-PING AS VICTIM OF "GANG OF FOUR." OBSERVES WHILE MAIN THEME OF POSTER, WRITTEN ON 8 BIG PINK SHEETS, WAS PRAISE FOR MEMORY OF CHOU, PASSAGES GETTING MOST ATTENTION FROM READERS, STANDING 5 DEEP, CHARGED OUSTED RADICALS WITH PROVOKING LAST YEAR'S TIEN AN MEN RIOTS AND ATTACKING TENG.

SAFIRE (NYT) NOTES RADICALS' CLAIM MAO'S FINAL DICTUM WAS: ACT "ACCORDING TO PRINCIPLES LAID DOWN," WHEREAS HUA MAINTAINS CHAIRMAN SAID: ACT "IN LINE WITH THE PAST PRINCIPLES." FINDS "STRANGE" THIS CHINESE "LURE OF LINGUISTIC LEGALITIES, WHICH WESTERNERS ARE TOO QUICK TO DISMISS."

GLOBE/WP REPRINT AUTH CARTOON OF TWO CHINESE READING QUOTATIONS, SOME CONTRADICTORY, FROM "LITTLE RED BOOK."

#### 15. INDOCHINESE REFUGEES

ANDELMAN (NYT) VIEWS WORSENING SITUATION FOR REFUGEES AS VN/CAMBODIA/LAOS SEEM ON VERGE CLOSING OFF ESCAPE ROUTES, COUNTRIES THAT HAVE BEEN ACCEPTING REFUGEES BECOMING INCREASINGLY RELUCTANT CONTINUE DOING SO. MENTIONS RELATIVELY SMALL CONTINGENTS VN/CAMBODIAN REFUGEES VIEWED W/SUSPICION BY THAI GOVT.

#### 16. AUSTRALIA

SULLIVAN (NYT) DOES LENGTHY ARTICLE, 1ST OF 3, ON AUSSIE MARSUPIALS. NOTES MOST HOLDING OWN DESPITE EARLIER FEARS OF EXTINCTION. KISSINGER

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## Message Attributes

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